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DEPARTMENT OF COMMERCE

International Trade Administration

[C-560-829]

Certain Uncoated Paper from Indonesia: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the Department) preliminarily determines that countervailable subsidies are being provided to producers and/or exporters of certain uncoated paper from Indonesia. The period of investigation is January 1, 2014, through December 31, 2014. Interested parties are invited to comment on this preliminary determination.

DATES: Effective Date: **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

FOR FURTHER INFORMATION CONTACT: David Goldberger or Kate Johnson, Office II, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4136 and (202) 482-4929, respectively.

Alignment of Final Countervailing Duty (CVD) Determination With Final Antidumping Duty (AD) Determination

On the same day that the Department initiated this CVD investigation, the Department also initiated a CVD investigation of certain uncoated paper from the People's Republic of China (PRC) and AD investigations of certain uncoated paper from Australia, Brazil, the PRC,

Indonesia, and Portugal.¹ The AD and CVD investigations cover the same merchandise. On June 17, 2015, in accordance with section 705(a)(1) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.210(b)(4)(i), the petitioners² requested alignment of the final CVD determination with the final AD determination of certain uncoated paper from Indonesia.³ Therefore, in accordance with section 705(a)(1) of the Act and 19 CFR 351.210(b)(4)(i), we are aligning the final CVD determination with the final AD determination. Consequently, the final CVD determination will be issued on the same date as the final AD determination, which is currently scheduled to be issued no later than November 2, 2015, unless postponed.

Scope of the Investigation

The product covered by this investigation is certain uncoated paper from Indonesia. For a complete description of the scope of the investigation, see Appendix 1 to this notice.

Methodology

The Department is conducting this CVD investigation in accordance with section 701 of the Act. For a full description of the methodology underlying our preliminary conclusions, see the Preliminary Decision Memorandum.⁴ A list of topics discussed in the Preliminary Decision Memorandum is included as Appendix 2 to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's

¹ See Certain Uncoated Paper From the People's Republic of China and Indonesia: Initiation of Countervailing Duty Investigations, 80 FR 8598 (February 18, 2015); and Certain Uncoated Paper From Australia, Brazil, the People's Republic of China, Indonesia, and Portugal: Initiation of Less-Than-Fair-Value Investigations, 80 FR 8608 (February 18, 2015).

² The petitioners are United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union; Domtar Corporation; Finch Paper LLC; P.H. Glatfelter Company; and Packaging Corporation of America.

³ See Letter from the petitioners regarding "Petitioners' Request for Alignment of Countervailing Duty Investigation Final Determination Deadline with Antidumping Investigation Final Determination Deadline" (June 17, 2015).

⁴ See Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance regarding "Decision Memorandum for the Preliminary Affirmative Countervailing Duty Determination in the Countervailing Duty Investigation of Certain Uncoated Paper from Indonesia," dated concurrently with this notice (Preliminary Decision Memorandum).

Antidumping and Countervailing Duty Centralized Electronic Service System

(ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/index.html>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

For this preliminary determination, we relied on facts available pursuant to section 776(a) of the Act because certain companies selected for individual examination--Great Champ Trading Limited (Great Champ), Indah Kiat Pulp & Paper TBK (IK), and Pabrik Kertas Tjiwi Kimia (TK)--failed to provide information requested by the Department within the deadlines established and, by refusing to participate as respondents, significantly impeded the investigation.⁵ In addition, the Government of Indonesia (GOI) did not provide requested information with respect to certain programs upon which we initiated an investigation, thereby also resulting in the Department's reliance on facts otherwise available, pursuant to section 776(a). Because the GOI did not provide the information requested for certain programs, with respect to those programs, we drew an adverse inference that these programs provide a financial contribution and are specific, pursuant to sections 771(5)(D) and 771(5A) of the Act. Because Great Champ, IK, and TK failed to cooperate by not acting to the best of their ability to respond to the Department's requests for necessary information, pursuant to section 776(b) of the Act, in selecting from among the facts otherwise available, we drew an adverse inference that these programs confer a benefit. Therefore, the Department applied an adverse inference in its calculation of the ad valorem estimated countervailable subsidy rate for Great Champ, IK, and

⁵ See sections 776(a)(2)(A)(B), and (C) of the Act.

TK. For further information, see “Use of Facts Otherwise Available and Adverse Inferences” section in the Preliminary Decision Memorandum.

Preliminary Determination and Suspension of Liquidation

In accordance with section 703(d)(1)(A)(i) of the Act, we calculated a CVD rate for each individually investigated producer/exporter of the subject merchandise. In accordance with sections 703(d) and 705(c)(5)(A)(i) of the Act, for companies not individually investigated, we apply an “all-others” rate equal to the weighted-average countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and de minimis countervailable subsidy rates, and any rates determined entirely under section 776 of the Act. Therefore, we used the rate calculated for our sole cooperating respondent as the all-others rate.

We preliminarily determine the countervailable subsidy rates to be:

Company	Subsidy Rate
APRIL Fine Paper Macao Commercial Offshore Limited, PT Anugrah Kertas Utama, PT Riau Andalan Kertas, PT Intiguna Primatama, PT Riau Andalan Pulp & Paper, PT Esensindo Cipta Cemerlang	43.19%
Great Champ Trading Limited	125.97%
Indah Kiat Pulp & Paper TBK, Pabrik Kertas Tjiwi Kimia	131.12% ⁶
All Others	43.19%

In accordance with sections 703(d)(1)(B) and (d)(2) of the Act, we are directing U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of certain uncoated paper from Indonesia that are entered, or withdrawn from warehouse, for consumption on or after the date of the publication of this notice in the Federal Register, and to require a cash deposit for such entries of merchandise in the amounts indicated above.

⁶ We are also assigning to PT Pindo Deli Pulp and Paper Mills the rate assigned to IK and TK. For further discussion, see the Memorandum to the File, “Cross-Ownership: Countervailing Duty Investigation of Uncoated Paper from Indonesia,” dated concurrently with this notice.

Verification

As provided in section 782(i)(1) of the Act, we intend to verify the information submitted by the respondent prior to making our final determination.

Disclosure and Public Comment

The Department intends to disclose to interested parties the calculations performed in connection with this preliminary determination within five days of its public announcement.⁷ Interested parties may submit case and rebuttal briefs. For a schedule of the deadlines for filing case briefs, rebuttal briefs, and hearing requests, see the Preliminary Decision Memorandum.

U.S. International Trade Commission (ITC) Notification

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Assistant Secretary for Enforcement and Compliance.

In accordance with section 705(b)(2) of the Act, if our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

⁷ See 19 CFR 351.224(b).

This determination is issued and published pursuant to sections 703(f) and 777(i) of the Act.

Dated: June 22, 2015.

Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

Appendix 1

Scope of the Investigation

The merchandise covered by this investigation includes uncoated paper in sheet form; weighing at least 40 grams per square meter but not more than 150 grams per square meter; that either is a white paper with a GE brightness level¹ of 85 or higher or is a colored paper; whether or not surface-decorated, printed (except as described below), embossed, perforated, or punched; irrespective of the smoothness of the surface; and irrespective of dimensions (Certain Uncoated Paper).

Certain Uncoated Paper includes (a) uncoated free sheet paper that meets this scope definition; (b) uncoated groundwood paper produced from bleached chemi-thermo-mechanical pulp (BCTMP) that meets this scope definition; and (c) any other uncoated paper that meets this scope definition regardless of the type of pulp used to produce the paper.

Specifically excluded from the scope are (1) paper printed with final content of printed text or graphics and (2) lined paper products, typically school supplies, composed of paper that incorporates straight horizontal and/or vertical lines that would make the paper unsuitable for copying or printing purposes.

Imports of the subject merchandise are provided for under Harmonized Tariff Schedule of the United States (HTSUS) categories 4802.56.1000, 4802.56.2000, 4802.56.3000, 4802.56.4000, 4802.56.6000, 4802.56.7020, 4802.56.7040, 4802.57.1000, 4802.57.2000, 4802.57.3000, and 4802.57.4000. Some imports of subject merchandise may also be classified under 4802.62.1000, 4802.62.2000, 4802.62.3000, 4802.62.5000, 4802.62.6020, 4802.62.6040, 4802.69.1000, 4802.69.2000, 4802.69.3000, 4811.90.8050 and 4811.90.9080. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigation is dispositive.

¹ One of the key measurements of any grade of paper is brightness. Generally speaking, the brighter the paper the better the contrast between the paper and the ink. Brightness is measured using a GE Reflectance Scale, which measures the reflection of light off a grade of paper. One is the lowest reflection, or what would be given to a totally black grade, and 100 is the brightest measured grade. "Colored paper" as used in this scope definition means a paper with a hue other than white that reflects one of the primary colors of magenta, yellow, and cyan (red, yellow, and blue) or a combination of such primary colors.

Appendix 2

List of Topics Discussed in the Preliminary Decision Memorandum

1. Summary
2. Background
3. Alignment
4. Scope Comments
5. Scope of the Investigation
6. Injury Test
7. Use of Facts Otherwise Available and Adverse Inference
8. Subsidies Valuation
9. Analysis of Programs
10. ITC Notification
11. Disclosure and Public Comment
12. Verification
13. Conclusion

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